

MOTION BY CHAIR HILDA L. SOLIS AND SUPERVISOR MARK RIDLEY-THOMAS

SUPPORT OF CALIFORNIA SB 1335

Last year, California and CMS approved a new Drug Medi-Cal – Organized Delivery System (DMC-ODS) waiver. Since this development, Los Angeles County has been tasked with improving its provider network and views federally qualified health centers (FQHCs) as natural partners in helping to achieve that goal.

On February 19, 2016, California State Senator Holly Mitchell introduced SB 1335 which would authorize FQHCs and Rural Health Centers (RHCs) to elect to have Drug Medi-Cal and specialty mental health services reimbursed on a fee-for-service basis, according to the same criteria as applied to pharmacy and dental services.

In Los Angeles County, FQHCs can currently provide limited behavioral health services directly. Some provide DMC and/or specialty mental health services through a county contract, but the payment mechanism for FQHCs requires extremely burdensome measures to ensure proper accounting of funds. Usually this means the

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FQHC will need to provide medical and behavioral health services in two separate buildings or on separate days, which can result in disjointed care for the patient.

FQHCs are paid through an all-inclusive bundled rate called the prospective payment system (PPS). Current law only allows for pharmacy and dental services to be carved-out of the PPS rate. This legislation would add DMC and specialty mental health to the list of services that can be carved-out. If substance abuse and/or specialty mental health service costs remain part of its PPS rate, then a FQHC cannot bill DMC because it would be considered double billing. This new legislation would ensure proper accounting of funds and eliminate the barriers impacting the ability of FQHCs to participate more fully in DMC and as specialty mental health providers.

Enactment of this legislation would be consistent with our Los Angeles County Health Agency goal of integrating both behavioral and physical health services to our patients to produce the best possible health care outcomes for Los Angeles County residents.

WE, THEREFORE MOVE that the Board of Supervisors co-sponsor Senate Bill 1335 (Mitchell), and direct the Chief Executive Officer to send a five-signature letter to Senator Mitchell, the Chair of the Senate Health Committee, and the entire Los Angeles County delegation in both the state Senate and the Assembly, urging passage SB 1335; and

WE FURTHER MOVE THAT THIS BOARD direct the CEO's Office of Legislative Affairs and Intergovernmental Relations, including the Sacramento Advocates, to actively work toward enactment of this legislation; and

FINALLY WE MOVE THAT THIS BOARD direct the CEO to provide periodic written

updates back to this Board noting the status and progress made toward enactment of
SB 1335 (Mitchell)

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HLS: jyp/ss